

SENATE BILL REPORT

SB 5911

As of March 31, 2011

Title: An act relating to the master license service program.

Brief Description: Concerning the master license service program.

Sponsors: Senators Murray and Zarelli; by request of Department of Licensing and Department of Revenue.

Brief History:

Committee Activity: Ways & Means: 3/31/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Devon Nichols (786-7716)

Background: The Department of Licensing (DOL) performs several functions including providing information to law enforcement, licensing and regulating drivers, registering vehicles and vessels, licensing and regulating 30 different professions, and issuing business licenses through the Master License Service (MLS). The Department of Revenue (DOR) is the state's primary tax collection agency. The DOR oversees approximately 60 different taxes.

The MLS program was established in 1977 to serve as a one-stop state and local government business-licensing service. Through the consolidation of one application or renewal transaction and combined fee payment, MLS simplifies business licensing for the public. A master license refers to the single document designed for public display issued by the DOL and approved by individual regulatory agencies.

The DOL administers the MLS program and issues over 100 state licenses. In addition, the MLS program may be used to apply for over 200 state endorsements and over 70 city licenses. The DOL collects a \$15 handling fee for each new master license issued and a \$9 license-renewal fee. All receipts must be deposited into the appropriated Master License Account (Account). Expenditures from the Account may be used only to administer the MLS program. The MLS provisions do not apply to certain regulated business and professional activities including those regulated under the Consumer Loan Act, credit unions, banks and trust companies, mutual savings banks, savings and loan associations, and those regulated under the insurance statutes.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The Master License Service (MLS) program is transferred from the Department of Licensing (DOL) to the Department of Revenue (DOR). All powers, duties, and functions of the DOL pertaining to the administration of the MLS program are transferred to the DOR. All funds, credits, or other assets held in connection with the MLS are assigned to the DOR. Any appropriations made to the DOL for carrying out the MLS program are transferred and credited to the DOR.

All employees of the DOL primarily engaged in the MLS program are transferred to the jurisdiction of the DOR. All employees classified under the state civil service law are assigned to the DOR to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action in accordance with the laws and rules governing state civil service. All classified employees of the DOL assigned to the DOR whose positions are within an existing bargaining unit description at the DOR become a part of the existing bargaining unit at the DOR and are considered an appropriate inclusion or modification of the existing bargaining unit.

All rules and all pending business before the DOL pertaining to the MLS program are continued and acted upon by the DOR. All existing contracts and obligations remain in full force and must be performed by the DOR.

To ensure a seamless transfer of the MLS program and to prevent any disruption of service, the DOR is authorized to contract with the DOL for support. Any contract entered into must be for a duration no longer than necessary to fully and effectively transfer the MLS program from the DOL to the DOR.

The DOR must set the amount of the MLS handling fees by rule. The MLS handling fees may not exceed \$19 for each master application, and \$11 dollars for each renewal application filing.

In addition to the other specified licenses, limousine carrier licenses and whitewater river outfitters' licenses are not processed through the MLS program.

References to the DOL in statute are changed to refer to the DOR.

Appropriation: None.

Fiscal Note: Requested on March 28, 2011.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2011.